

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2003-162-T - ORDER NO. 2003-618

OCTOBER 16, 2003

IN RE: Application of Coastal Moving & Storage,) ORDER ✓
Inc., 110 Bombay Drive, Columbia, SC)
29209 (Mailing Address: Post Office Box)
23294, Savannah, GA 31403) (District 2) for)
a Class E Certificate of Public Convenience)
and Necessity.)

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of Coastal Moving & Storage, Inc. (Coastal or the Company), 110 Bombay Drive, Columbia, South Carolina 29209 for a Class E Certificate of Public Convenience and Necessity to transport household goods as follows:

Household Goods, As Defined in R. 103-210(1): Between Points and Places in South Carolina. In the alternative, if the Commission deems it necessary to restrict Coastal's operating authority, we request that Coastal be allowed to transport federal government shipments of household goods for military personnel between points and places in South Carolina.

The Commission's Executive Director instructed Coastal to publish a Notice of Filing in newspapers of general circulation in the service area desired. The Notice of Filing instructed the public as to how to file pleadings to participate in the proceedings on the Application. Petitions to Intervene were filed by Carey Moving & Storage of Greenville, Inc., Carey Moving & Storage, Inc. and Carey Moving & Storage of Charlotte, Inc. (Intervenors). However, on September 8, 2003 in Order No. 2003-550, the Commission granted Coastal's Motion to Dismiss the Petitions to Intervene of the

Intervenors on the grounds that the Intervenors engaged in the unauthorized practice of law.

Subsequent to the publication of the Notice, the Applicant filed a letter requesting a downward amendment to the originally requested scope as follows:

Household Goods, As Defined in R. 103-210(1): Between Points and Places in South Carolina restricted to the transportation of federal government shipments for military personnel.

A hearing on the amended Application was held on September 10, 2003 at 10:30 a.m. in the offices of the Commission, with the Honorable Mignon Clyburn, Chair, presiding. Bonnie D. Shealy, Esquire, represented the Company. The Commission Staff (the Staff) was represented by Jocelyn G. Boyd, Staff Counsel.

Mr. Donald G. Arpin, Jr. appeared and testified on behalf of the Company. Mr. Arpin is the Vice President and Chief Executive Officer of the Company. Mr. Arpin is an officer of both Coastal and Fountain Moving & Storage, Inc. (Fountain). Coastal and Fountain are certificated in Georgia. Coastal also has authority to move household goods in Florida. Mr. Arpin explained the meaning of the phrases “non-temp shipments” and “basic ordering agreement”. Coastal will have one basic ordering agreement for the military bases at Shaw, Charleston, Beaufort, and Fort Jackson. Mr. Arpin also stated that the Company has cash on hand, a letter of credit with the bank, and equity should meet the two-to-one margin required by the military for a carrier’s financial ability. There are currently no outstanding judgments against Coastal. Coastal’s rates will consist of five categories: packing, drayage, handling-in, storage, and handling-out. Fountain has almost reached its maximum capacity regarding storage. The Company has also received

a motor carrier safety rating from the United States Department of Transportation of satisfactory.

Mr. Freddie Lockwood, who is retired, was formerly employed at Ft. McPherson, Georgia with the Local Traffic Management Office. Mr. Lockwood worked in the household goods section. He arranged for household good moves in Georgia and Tennessee. Mr. Lockwood also attended traffic management school and inspector's school. According to Mr. Lockwood, Coastal has been providing storage at Ft. McPherson since 1985. Soldiers who are required to go overseas for a period of time oftentimes need to utilize the non-temp storage (permanent storage) to store one's goods. The soldier's household goods would thereafter be stored in the states until the soldier returned. Storage in transit is used for short-term storage. Mr. Lockwood testified that in his prior work experience with Coastal, the Company performed well. Further, Mr. Lockwood noted a need for increased storage for military personnels' household goods. Additionally, due to the current military environment, many deployments are taking place. Mr. Lockwood opined that awarding Coastal a certificate would be beneficial because revenue would be kept within the State of South Carolina. Further, Coastal's receiving authority would mean more jobs for South Carolinians and less expense to the government and the taxpayers, according to Mr. Lockwood.

The deposition of Mr. James L. Whitmire, Chief of the Southeast Regional Storage Management Office, an office which is under the Military Traffic Management Command, was read into the record. The Military Traffic Management Command is the program manager for the non-temporary storage program in the southeast part of the

United States. This office administers the non-temporary storage program for the Military Traffic Command, which is the long-term storage of military members' personal property or household goods primarily when the military personnel is overseas on assignment although other reasons why non-temporary storage could be authorized such as long-term illness or retirement. Basic ordering agreements are used to enter into agreements with local moving and storage companies to go out and pack and inventory and transport military personnels' household goods to the carriers' warehouses. The carriers store the household goods anywhere from a two to five years on average and then the household goods are released to a line haul driver for shipment to another part of the country or locally in the area where the goods are stored.

In awarding the basic ordering agreement, a company would contact Mr. Whitmire's office to inform his office that the company is interested in a basic ordering agreement. The Military Traffic Command would then send the carrier a letter that would list all the requirements necessary to enter into a basic ordering agreement with the office. The requirements include an on-site inspection of the carriers' facilities and other documentation that indicates that the carrier has minimum capabilities to perform under the basic ordering agreement. This documentation includes financial statements, floodplain reports, proof of adequate insurance, proof of fire protection systems, and proof of operating authority for the areas the carrier intends to service under the basic ordering agreement.

Additionally, the carrier submits rate schedules which are evaluated by the Military Traffic Command. Once the carriers' rates are approved, the rates are placed in

the carrier's basic ordering agreement. Thereafter, the rates are place into an automated system that is provided to each military base with the capability of booking shipments off the automated system. The system automatically calculates the low-cost contractor each time a shipment is arranged, and the shipment is charged according to the rates that appear on the computer screen.

Mr. Whitmire testified that his office has basic ordering agreements with Coastal at two locations: Savannah, Georgia and St. Mary's, Georgia. Coastal has worked with the Military Traffic Command Office for at least twenty years. Mr. Whitmire wrote a letter in February 2003 wherein he opined that Coastal's performance in Georgia under both the Company's basic ordering agreements has been excellent. Mr. Whitmire also opined that the addition of qualified contractors would increase competition and possibly result in a lower overall cost to the government.

George Buddy Arpin also testified on behalf of the Company. Mr. George Arpin is employed at Coastal, and he is a shareholder of the Company. Mr. George Arpin serves as safety director and director of training; he has been in the business for twenty-eight years. Coastal plans to build a forty thousand square foot warehouse in Columbia. Additionally, the Company will employ about thirty-five people in Columbia for this upcoming year. Further, Coastal has a fleet of seventeen trucks allocated to South Carolina. All employees are required to perform their duties in uniforms. Every day drivers are required to fill out a pre-trip inspection. Mr. George Arpin testified further that Coastal has a training and orientation program and auditors who monitor the logging

systems. Weekly training sessions include informing the Company's employees of current events and of Coastal's responsibilities in moving tomorrow's heroes.

L. George Parker, Jr., Manager of the Commission's Transportation Department, also testified. Parker inspected the Company's equipment and warehouse at Coastal's Savannah and Columbia locations. The Company's warehouse had good, clean lighting, according to Mr. Parker. Further, Mr. Parker testified that Coastal's crates were stacked in an orderly fashion and sofas were shrink-wrapped and stacked on sofa racks. Additionally, Mr. Parker testified that the rolling stock was in excellent shape. Mr. Parker testified that Coastal had box vans as well as flat trucks. Coastal loaded and unloaded the crated goods with a fork lift thereby minimizing the handling of goods.

S.C. Code Ann. Section 58-23-590(C)(Supp. 2002) states that the Commission shall issue a common carrier certificate of public convenience and necessity if the applicant proves to the Commission that: (1) it is fit, willing, and able to properly perform the proposed service and comply with the provisions of this chapter and the Commission's regulations and (2) the proposed service, to the extent to be authorized by the certificate or permit, is required by the present public convenience and necessity.

Upon consideration of the matter, we find that the Applicant Coastal has demonstrated that it is fit, willing, and able to perform the services sought by the amended Application. The testimonies of Mr. Donald Arpin and Mr. George Arpin reveal that Coastal is fit, willing, and able under the standards contained in 26 S.C. Regs. 103-133. Further, we find that the testimony of Mr. George Arpin, Mr. Donald Arpin, Mr.

Freddie Lockwood, and Mr. James Whitmire indicate that the proposed service is required by the present public convenience and necessity.

Based upon the record before the Commission and the statutory requirements along with the guidelines contained in the Commission's regulations, we find sufficient evidence to grant the amended Application and, therefore, grant authority to Coastal for the movement of household goods between points and places in South Carolina restricted to the transportation of federal government shipments for military personnel. This grant of authority is contingent upon compliance with all Commission regulations as outlined below.

IT IS THEREFORE ORDERED THAT:

1. The amended Application of Coastal be, and hereby is, approved conferring authority to transport household as follows:

Household Goods, As Defined in R. 103-210(1): Between points and places in South Carolina restricted to the transportation of federal government shipments for military personnel.

2. Coastal shall file the proper license fees and other information required by S.C. Code Ann. Section 58-23-10 et seq. (1976), as amended, and by R.103-100 through R.103-241 of the Commission's Rules and Regulations for Motor Carriers, S.C. Code Ann. Vol. 26 (1976), as amended, and R.38-400 through 38-503 of the Department of Public Safety's Rules and Regulations for Motor Carriers, S.C. Code Ann. Vol. 23A (1976), as amended, within sixty (60) days of the date of this Order, or within such additional time as may be authorized by the Commission.

3. Upon compliance with S.C. Code Ann. Section 58-23-10, et seq. (1976), as amended, and the applicable Regulations for Motor Carriers, S.C. Code Ann., Vol. 26 (1976), as amended, a Certificate shall be issued to Coastal authorizing the motor carrier services granted herein.

4. Prior to compliance with the above-referenced requirements and receipt of a Certificate, the motor carrier services authorized herein shall not be provided.

5. Failure of Coastal either (1) to complete the certification process by complying with all Commission requirements as contained in S.C. Code Ann. Section 58-23-10 et seq. (1976), as amended, and by R.103-100 through R.103-241 of the Commission's Rules and Regulations for Motor Carriers, S.C. Code Ann. Vol. 26 (1976), as amended, and R.38-400 through 38-503 of the Department of Public Safety's Rules and Regulations for Motor Carriers, S.C. Code Ann. Vol. 23A (1976), as amended, within sixty (60) days of the date of this Order or (2) to request and obtain from the Commission additional time to comply with the requirements of the Commission as stated above, shall result in the authorization approved in the Order being revoked.

6. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Mignon L. Clyburn, Chairman

ATTEST:



Bruce F. Duke, Acting Executive Director

(SEAL)